

Choosing Our Direction

Workbook 2

What Shapes Our Future?



Introduction

This is one of five workbooks in the *Choosing Our Direction* series designed to assist your group, organization, or nonprofit agency in developing an effective strategic plan that can help you strengthen and sustain your organization's achievements. These workbooks can also help provide you with the insight you need to accurately and realistically guide your future. Even more importantly, these materials will help you outline an effective course of action that will make your strategic planning efforts pay dividends long into the future.

For your group to plan appropriately for the future, it is important that they consider both internal and external factors. In the first *Choosing Our Direction* workbook, you examined your group's current activities and organizational structure. This workbook is intended to help you better understand the larger context and environment in which your group exists and the forces that might affect its future. It then helps you put together these internal and external factors in an organized framework so you can begin to delve into the important decisions about your group's future direction, structure, and focus.

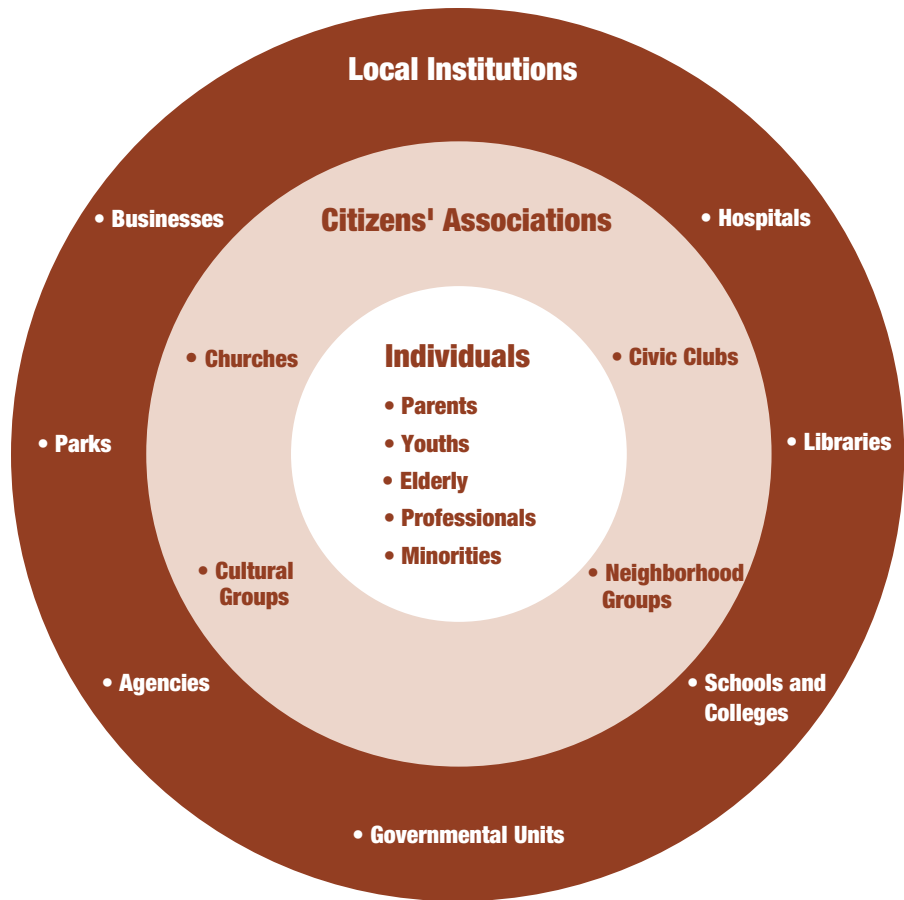
No Group Exists in a Vacuum

Your organization is part of an informal network of groups in your community. It coexists and interacts with those groups, either directly or through your members, many of whom are likely members of those other groups. Your organization may collaborate or partner with some of those groups, and (at least informally) compete with others. Because your organization doesn't exist in isolation, it's vital that your strategic planning not be done in isolation. You need to think about how your organization fits within the broader context of different groups within the community, what makes your group unique, and who are potential competitors or allies. This involves directly considering the other groups in your community and your group's stakeholders.

Groups in Your Community

A useful way to think about these issues is to "map" the groups in your community. Who are the different groups and organizations, what is their purpose and focus, who are their members, and what type of interaction (formal or informal) do your members and

your organization have with them? One method of doing this is to view your community as a series of concentric circles of groups, all of which combine to provide an overview of the groups, services, talents, and information in your community and are the context within which your group exists.



Source: Kretzman and McKnight: *Building Communities From the Inside Out*, 1994.

Exercise #1 (15–30 minutes)

In order to map the context within which your group exists, use this table to list the organizations you can think of in your community. Note that the relevant “community” can be large (e.g., multicounty or statewide) or small (e.g., neighborhood or municipality), depending on the focus of your group. Be as specific about these groups as possible. In addition, think about each group’s mission or purpose. This will help you get a clearer picture of what each group does and how they relate (or can relate) to your own group. Feel free to use more space as desired and to include additional categories appropriate to your group’s focus and community.

Agency/Organization	Mission/Purpose
Units of Government	
Civic Groups/Clubs	
Economic Development	
Human Service Providers	
Health Care Providers	
Churches	
Youth Organizations	
Environmental Groups	
Individual Skills	
Government Agencies	
Other	

Stakeholders

For the success of your organization, it is critical that you understand how well you are doing in the eyes of your members, customers, clients, donors and volunteers, staff, and others who interact or depend on your organization—in other words, your stakeholders. Stakeholders are both inside and outside your organization. They are represented by all those who “have a stake” in your day-to-day operations, your successes, and your failures, and can include community members and even competitors.

You need to understand how your stakeholders perceive your organization, with special attention to how your stakeholders overlap with other groups in your community (the groups you mapped in the prior exercise). The methods you choose for gathering this input will be determined by the time and resources you can afford to commit to the process. There are primarily four methods available to you, each of which has its own benefits and challenges:

- *Surveys*—comprehensive and reliable, but potentially time consuming or expensive.
- *Interviews*—can be comprehensive and offer the opportunity to gather in-depth information but potentially less representative overall.
- *Focus groups*—often useful and more representative than simple interviews but still somewhat time consuming.
- *Secondary data*—easiest method, if data exist relevant to your specific clientele.

Regardless of which method of data collection you choose, here are some of the types of information you may want to know from the perspective of each of your major stakeholders.

What Else Do You Want to Know?

Exercise #2 (30–90 minutes)

For each of your major stakeholders, review the following questions. Use the Stakeholder Perspective Worksheet (see page 6) to record your answers for each of your organization’s major stakeholder groups. This will give you a graphic record of your discussions.

1. What does the stakeholder need or expect (criteria for performance) from your organization? In other words, how does the stakeholder determine or evaluate success?
2. How well does the organization perform against those criteria?
3. How well does the organization perform relative to its competitors and other groups in the community?
4. What makes the organization unique/special?
5. What does the organization do especially well and should continue to do?
6. How can the organization improve what it does or how it does it?
7. How can the organization effectively build on its strengths and opportunities?
8. How can the organization effectively cope with the weaknesses and threats?

Forces Shaping Our Future

As you just discussed, your organization is affected by the other groups in your community, whether they be partners or competitors, and by your stakeholders. Your organization is also affected by changes in your community and outside forces. It is important to think about the future changes that are likely to occur in your community, the region, the state, the nation, and around the world—and the forces behind those changes. How the demographics of the community are changing is particularly important because it affects with whom (and for whom) your group is working. Exploring these possibilities can help you plan and prepare for the future of your group.

Key Questions for Looking at the Future

Exercise #3 (20–40 minutes)

1. What major trends or forces of change can be expected during the next 2 to 5 years?

Demographic, Income, and Household Characteristics	Education	Health and Health Care
Environment/Land Use	Politics	Citizenship and Values
Economic	Technology and Communications	Transportation
Other	Other	Other

2. Of the trends and forces you have just discussed, which are the most likely to affect your organization and stakeholders during the next 3 to 7 years? Which other groups also will be affected by these issues?

Trend	Who will be affected most?

Exercise #2. Stakeholder Perspectives Worksheet

Questions	Stakeholders		
	_____	_____	_____
What does the stakeholder need or expect (criteria for performance) from your organization? In other words, how does the stakeholder determine or evaluate success?			
How well does the organization perform against those criteria?			
How well does the organization perform relative to its competitors and other groups in the community?			
What makes the organization unique/special?			
What does the organization do especially well and should continue to do?			
How can the organization improve what it does or how it does it?			
How can the organization effectively build on its strengths and opportunities?			
How can the organization effectively cope with the weaknesses and threats?			

How Well Prepared Are We for the Future?

Given the environment in which your group exists and the trends that are affecting it, how well prepared is your group for the future? What can you do to take advantage of the opportunities and avoid the threats that will arise from change? What should your group be doing and not doing?

SWOT analysis is a very useful method for thinking through the answers to these questions about how your group fits into the future, and what your group should be doing to shape its future. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and is a very common strategic planning tool for businesses and groups. It involves identifying key issues

affecting the organization from a variety of different perspectives.

Strengths and weaknesses are issues internal to the group.

- *Strengths* are positive aspects of the group (e.g., “Our group is responsive to member needs.”).
- *Weaknesses* are negative aspects of the group (e.g., “Sometimes we focus too much on socializing and not enough on the task at hand.”).

Opportunities and threats are issues outside the group that affect it.

- *Opportunities* are positive aspects external to the group (e.g., “The state agency has decided that one of the issues we’re working on should be a major state priority.”).

- *Threats* are negative aspects outside the group that may affect it (e.g., “A downturn in the stock market is affecting contributions to the group.”).

In a SWOT analysis, you think about the issues currently facing your group (and the issues the group likely will face in the future), and identify whether they are strengths, weaknesses, opportunities, and/or threats.

This listing then provides a useful framework for understanding these issues and for developing a plan for building on strengths, resolving weaknesses, taking advantage of opportunities, and minimizing threats.

Exercise #4 (60–90 minutes)

Use the following table to brainstorm a list of your organization’s strengths and weaknesses and of the opportunities and threats it faces. Draw upon the results and issues you discussed in the earlier exercises, such as the organizational assessment, other groups in the community, major trends that will affect your organization, and key discussion points that were raised. Make sure that you consider both current issues and likely issues in the future. After doing the initial brainstorm, you may want to refer to the Internal and External Issues Checklist to see if you have overlooked some important issue (do *not* use this as a checklist while doing the exercise).

Brainstorming List. “What are your group’s strengths, weaknesses, opportunities, and threats?”

Strengths	Weaknesses	Opportunities	Threats

Internal and External Issues Checklist

Use this *after* doing your initial brainstorming to make sure you haven't overlooked important issues. Do not use it directly *during* the exercise. The checklist is a way of checking to ensure you have not forgotten any major issues. Most of these may not be important issues for your group.

Possible Internal Issues

Membership

- Commitment of board members/members
- Relationship between staff and board
- Diversity of membership
- Member knowledge of group mission and history
- Membership recruitment or hiring practices
- Turnover
- Member morale

Organizational structure

- Committee structure
- Committee responsibilities
- Leader /officer responsibilities
- Member responsibilities
- Job descriptions (or lack thereof)
- Structure of meetings

Performance

- Performance of members
- Performance review systems
- Teamwork
- Member attendance at meeting/events
- Efficient use of meetings
- Effective use of technology (e.g., e-mail, computerized mailing lists)
- Leadership
- Management
- Vision
- Communication
- Decision making
- Evaluation/benchmarking of activities and effectiveness

Programs and activities

- Competitive advantages
- Creativity
- Flexibility
- Customer/task focus
- Customer service

Resources available to perform programs and activities

- Financial
- People power
- Physical space
- Technology/equipment

Possible External Issues

Other groups

- Relationships with other groups in the community
- Other groups who compete or partner (at least informally) for our members
- Other groups who compete or partner (at least informally) with our mission

"Customers"

- Customer loyalty
- Customer/market trends and preferences

Technology

Economy

Government/political

eCommerce

Changing needs in the community

Changing demographics of who lives, works, and recreates in the community

Social environment

Funding

Mandates coming from outside funds and partners

After completing the Brainstorming List, now comes the fun part: categorizing the brainstorming list into a SWOT matrix (see below). Your group's strengths and weaknesses contain the seeds of opportunity and threat. Likewise, the external opportunities and threats your group faces relate directly to

your strengths and weaknesses. Take each of the major strengths and weaknesses you've listed in the Brainstorming List and consider whether these are opportunities or threats. Be aware that some might be both an opportunity and a threat. For these issues, carefully think about what factors influence

which it would be—such factors are things you should address in your strategic planning. Do a similar process for the major opportunities and threats, categorizing them by whether they relate to your strengths or weaknesses.

SWOT Analysis

		EXTERNAL	
		Opportunities	Threats
INTERNAL	Strengths		
	Weaknesses		

The SWOT matrix is a very powerful tool for thinking about how well prepared your group is for the future and for developing a strategic plan that uses group strengths to take advantage of opportunities while simultaneously minimizing threats. The SWOT matrix provides a good starting place for your next *Choosing Our Direction* meeting and something for each individual participant to think about between now and that next meeting.

The following questions and table are intended to help you interpret your group's SWOT matrix and to prepare you for developing your group's strategic plan. The SWOT matrix provides a visual way of identifying where you should invest resources or time and what you should defend (see below).

Questions

1. What surprised you about your findings? What did *not* surprise you?
2. How does this SWOT compare to your group's current focus and activities? Is your group investing in opportunities related to its strengths? Is it defending appropriately against threats? How is your group dealing with its identified weaknesses? Is it taking advantage of major opportunities?

Conclusion

The ideas in your SWOT analysis are the groundwork for the next steps in your group's strategic planning process. You'll use these ideas to begin to develop or redefine your vision and statements and to set and prioritize goals and objectives (Workbook 3). You will then create action plans to implement these goals and objectives (Workbook 4).

References

SWOT "Checklist," About.com, accessed November 1999.

Alternative Directions Suggested by SWOT Analysis

		EXTERNAL	
		Opportunities	Threats
INTERNAL	Strengths	Invest	Defend (either alone or with others)
	Weaknesses	Decide—become stronger to take advantage of or let the opportunity pass by	Damage control

About the *Choosing Our Direction* Materials

Effective groups and organizations have clear goals and objectives and are focused on working toward accomplishing these. *Choosing Our Direction* is a strategic planning tool for groups or organizations to become more effective by developing or redeveloping such goals and objectives for their future. It helps groups identify who they are, what they currently do, what they want to do in the future, and develop a usable plan for getting there. The workbooks in the *Choosing Our Direction* program were designed to be used sequentially and are intended to provide a framework for strategic planning. However, depending upon the needs of the group or organization, the workbooks can be used independently to focus on specific concerns or issues.

The workbooks in the *Choosing Our Direction* program include:

- **Setting the Stage: A Primer on Strategic Planning and Visioning (Initial assessment: Is strategic planning for your organization? What does it involve? What is the group's commitment?)**
- **#1 What Do We Do Now? (Introduction to strategic planning, assessing organizational structure)**
- **#2 What Shapes Our Future? (Forces affecting the organization; stakeholder perceptions; strengths, weaknesses, opportunities, threats)**
- **#3 What Are We Going to Do? (Goals, objectives, mission and vision exercise)**
- **#4 Making It Happen (Implementation plan; action steps; timeline; evaluation)**

No two strategic planning efforts are ever the same. Differing organizational needs and circumstances often require different strategic planning approaches. It is also important to remember that good strategic planning is never really finished—and provides for a continual process of reevaluation and refocus. The *Choosing Our Direction* workbooks are a complete strategic planning program with exercises to guide your group through this process. Depending upon the needs of your group, these workbooks can also be supplemented by additional tools and exercises. Many of these can be found at www.visioning.aers.psu.edu.

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